

Message Text

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INFO OCT-01 EUR-25 EA-11 IO-14 ISO-00 AEC-11 SPC-03

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FM SECSTATE WASHDC

TO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY MADRID

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY VIENNA

INFO AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY TOKYO

USMISSION IAEA VIENNA

C O N F I D E N T I A L STATE 245034

E.O. 11652: GDS

TAGS: TECH, TGEN, EC

SUBJ: EUROPEAN URANIUM ENRICHMENT PLANT

REFS: A. STATE 227510, 233866, 235659 (ALL NOTAL)

B. PARIS 30796, 30810, 31091 (ALL NOTAL)

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1. REFTELS SUMMARIZE DISCUSSIONS AND EXCHANGES OF

MESSAGES IN RECENT WEEKS BETWEEN AEC AND THE EUROPEAN UTILITIES GROUP "OPEN" WHOSE SPOKESMAN IS P. WYART OF PARIS. OPEN SEEKS TO OPTIMIZE THE DESIGN OF THE PROPOSED EURODIF URANIUM ENRICHMENT PLANT BY INCORPORATING AMERICAN DIFFUSION TECHNOLOGY. SUCH A PROPOSAL WOULD BE CONSONANT WITH PRESIDENT NIXON'S 1971 PROPOSAL CONCERNING THE POSSIBLE SHARING OF DIFFUSION TECHNOLOGY WITH EUROPE PROVIDED THE PLANT WAS MULTINATIONAL, SAFEGUARDED AND PROVIDED WITH ADEQUATE PHYSICAL PROTECTION.

2. TEXTS OF LATEST EXCHANGE OF LETTERS BETWEEN AEC AND P. WYART GIVEN SEPTEL.

3. TWO IMMEDIATE ISSUES HAVE ARISEN DURING THESE EXCHANGES. FIRST, USG IS UNWILLING TO PROCEED WITH THE DISCUSSIONS IN ABSENCE OF PARTICIPATION BY THE EUROPEAN GOVERNMENTS. IN ADDITION TO LEGAL PROBLEM DESCRIBED BELOW, U.S. IS RELUCTANT TO BECOME INVOLVED IN ANY INTRA-EUROPEAN CONTENTION BETWEEN, FOR EXAMPLE, THE UTILITIES AND THE FRENCH GOVERNMENT. THE SECOND IMMEDIATE QUESTION

IS THE EUROPEAN REQUEST FOR POSTPONEMENT OF DECEMBER 31, 1973, DEADLINE FOR COMPLETION OF CONTRACTS UNDER WHICH AEC WILL DELIVER ENRICHED URANIUM PRIOR TO MID-1978. (THE QUESTION OF TRANSFER OF LONG-TERM COMMITMENTS FROM AEC TO A EUROPEAN ENRICHMENT PLANT, INITIALLY RAISED BY OPEN, WAS REMOVED BY THEM AS AN IMMEDIATE ISSUE BY SUBSEQUENT TELEGRAM TO AEC.) MR. WYART IS REQUESTING A THREE MONTH POSTPONEMENT IMMEDIATELY, WHILE AEC (SEE STATE 227510) IS PREPARED TO CONSIDER INDIVIDUAL UTILITY REQUESTS, AND RELATED JUSTIFICATION, FOR SUCH A POSTPONEMENT IF EXPLORATORY DISCUSSIONS GIVE EVIDENCE OF LEADING TOWARD SERIOUS NEGOTIATIONS. RELATIONSHIP OF SUCH POSTPONEMENT TO POSSIBLE COOPERATION IN TECHNOLOGY NOT CLEARLY UNDERSTOOD BY U.S. FYI, POSITION AGAINST POSTPONEMENT OF DEADLINE BY 3 MONTHS BASED NOT ONLY ON FACT THAT WE WANT EQUITABLE SOLUTION TO APPLY NOT ONLY TO ALL CUSTOMERS, FOREIGN AND DOMESTIC, BUT TO FACT THAT DELAY COULD PROVIDE MORE TIME FOR GOVERNMENTS PARTICIPATING IN EURODIF TO PRESSURE CUSTOMERS INTO "BUYING EUROPEAN".
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WE HAVE INDICATION THIS TACTIC ALREADY BEING USED ON BRINCO EUROPEAN PARTNERS AND SPANISH. END FYI

4. TO OBTAIN MISUNDERSTANDINGS OF USG POSITION, ACTION POSTS ARE REQUESTED TO APPROACH HOST GOVERNMENTS AT APPROPRIATE LEVEL, OFFER TO PROVIDE TEXT OF AEC-WYART EXCHANGES, AND ADVISE THEM AS FOLLOWS:

(A) THE U.S. IS PREPARED TO PARTICIPATE ON SHORT NOTICE IN EXPLORATORY DISCUSSIONS ON POSSIBILITY OF CONSTRUCTION OF URANIUM ENRICHMENT PLANT IN EUROPE UTILIZING AMERICAN DIFFUSION TECHNOLOGY;

(B) ASSURANCE OF OUR WILLINGNESS TO HOLD SUCH DISCUSSIONS HAS BEEN PROVIDED BY TELEX MESSAGES DATED NOVEMBER 16 AND 21 AND BY LETTER OF DECEMBER 7, 1973, FROM AEC TO P. WYART, GENERAL MANAGER OF OPEN, AND THROUGH WYART TO THE UTILITIES OF SEVERAL EUROPEAN NATIONS;

(C) IT IS NECESSARY, HOWEVER, THAT ANY SUCH DISCUSSIONS INVOLVE PARTICIPATION OF THE PERTINENT EUROPEAN GOVERNMENTS EITHER DIRECTLY OR THROUGH THEIR SPECIFICALLY DESIGNATED REPRESENTATIVES. SINCE TRANSFER OF U.S. DIFFUSION TECHNOLOGY MUST BY LAW TAKE PLACE IN ACCORDANCE WITH THE TERMS OF APPROPRIATE INTER-GOVERNMENTAL AGREEMENTS, THE USG DOES NOT FEEL IT POSSIBLE TO UNDERTAKE DISCUSSIONS WITH ORGANIZATIONS OR INDIVIDUALS

LACKING SPECIFIC ACCREDITATION FROM THEIR GOVERNMENTS.

5. WE RECOGNIZE YOUR APPROACH ON THIS SUBJECT MAY ELICIT QUESTIONS RE SECRETARY'S DECEMBER 12 SPEECH (ON WHICH GUIDANCE EXPECTED BY SEPTTEL). IN MEANTIME WE VIEW U.S. POSITION ON THIS ISSUE AS CONSISTENT WITH SPIRIT OF SECRETARY'S PROPOSAL.

6. REPORT REACTIONS OF HOST GOVERNMENTS. RUSH

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